

STATEMENT OF SHEILA BAIR  
NOMINEE TO BE A MEMBER OF THE BOARD AND CHAIRMAN  
OF THE  
FEDERAL DEPOSIT INSURANCE CORPORATION

BEFORE THE  
SENATE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS  
JUNE 8, 2006

Chairman Shelby. Ranking Member Sarbanes. Members of the Committee. I am pleased to appear before you this morning as the President's nominee to be the next Chairman of the Federal Deposit Insurance Corporation. At the outset, I would like to thank the President for having the confidence in me to lead this historic agency.

Established in the throes of the Great Depression, the FDIC restored depositor confidence in our crippled banking system and since that time, has served as a beacon of safety for the financial assets of the average consumer. It is a well-run, well-respected agency comprised of 4500 dedicated staff and a Board of Directors who bring a broad depth of expertise, as well as a rich diversity in regulatory view points. It will be my privilege and honor to work with these outstanding individuals if confirmed by the Senate.

I would also like to thank my family for their support of my decision to accept this nomination and their willingness to disrupt their lives to move back to Washington. Joining me this morning are my husband and dearest friend, Scott Cooper, and the two best kids in the world, Preston and Colleen. I would also like to thank my parents, Dr. AE and Clara Bair for all of their support. Finally, I would like to recognize my former boss Senator Robert Dole, for his help in this endeavor and all the other challenges I have undertaken over the past two decades. Washington can be a difficult place to navigate. Having someone of high stature and integrity to guide you is crucial. Early in my career,

I was fortunate to have Senator Dole as a mentor. His wise counsel and advice have always served me well.

Another benefit of my association with Senator Robert Dole was the opportunity to get to know the senior Senator from North Carolina. I had the privilege of first meeting Elizabeth Dole in the 1980's, when we worked on so-called "gender gap" issues during the Reagan Administration. I have seen first hand her formidable intellect, strong work ethic, and utmost dedication to public service. I am very glad that she serves on this Committee and that we may have the opportunity to work together again.

The last time I appeared before the full Committee, I was the President's nominee to be the Assistant Secretary for Financial Institutions of the Treasury Department. Upon my confirmation for that position, my first assignment was to represent the Administration on deposit insurance reform. If confirmed by the Senate, I will play a central role in the implementation of that comprehensive new law. Deposit insurance reform is just one of many major policy issues confronting the FDIC. Industrial loan companies, Basel II and IA, regulatory burden, anti-money laundering and Patriot Act enforcement, identity theft, federal preemption, the list goes on. There is no shortage of cutting edge issues at the FDIC, and for many, there are no easy answers. But as one who loves public policy and believes that the government can be a force for positive change, I welcome these challenges.

There are two additional issues which I care about deeply and where the FDIC has been notably active: financial education and banking services for underserved populations. As part of the FDIC's financial education efforts, I hope to place a particular emphasis on school-based education and the integration of math and financial curriculums, which I believe can improve both financial literacy as well as math scores. Regarding underserved communities, I hope to work with industry leaders and other regulators to encourage more products to facilitate asset accumulation among lower income families. To paraphrase financial columnist Jane Bryant Quinn, saving money may not make you rich, but it can help keep you from poverty. So much of the emphasis in the past has been on the extension of credit to underserved populations. We need to do at least as much to promote savings and asset preservation.

In concluding, I would re-iterate my strong commitment to the millions of individuals who rely on the FDIC for security and peace of mind in protecting their deposits. As the ownership society evolves, it is important for every day working men and women to know that they have a safe haven for a selected portion of their financial assets. It is equally important to the effective functioning of our banking system that consumers have confidence in their banks. The FDIC stands proudly at this intersection. I look forward to the opportunity to serve this fine agency.